

LEADLINE

Intel for savvy South Carolina Port clients.

MARCH 2013

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Ground-breaking for Inland Port

TOP STORY

The South Carolina Ports Authority's development of an inland port terminal in Greer, S.C. (212 miles from the Port of Charleston), is receiving vigorous interest from ocean carriers, cargo owners, and developers. One prominent site location consultant declared, "This is a game-changer," when briefed on the plans. Once operating, the new terminal will provide a dynamic new tool to reach an import-rich market of 94 million people within a day's drive and a valuable new source point for consolidating export freight.

The latest:

- Ground-breaking held March 1, 2013.
- On target for a fall 2013 opening.
- Owned and operated by SCPA.
- Two 2,600-foot tracks with additional 5,200-feet of storage tracks.
- Full build-out capacity is estimated to be 100,000 containers annually.
- Empty container and chassis pools on-site.
- Located at the heart of the I-85 corridor, half-way between the Charlotte and Atlanta metro areas.
- 94 Million consumers and key U.S. agricultural and manufacturing centers are within a 1-day truck trip.
- Served exclusively by Norfolk Southern to/from the Port of Charleston using existing tracks.
- Overnight intermodal service in both directions with availability by 8:00AM.
- Many large and small development sites within 25 miles. There is a great deal of development interest in building import distribution and export consolidation centers near the site. Interested parties are requested establish sales contact immediately.



National, state, and local leaders break ground for the new South Carolina Inland Port.

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MORE LEADS

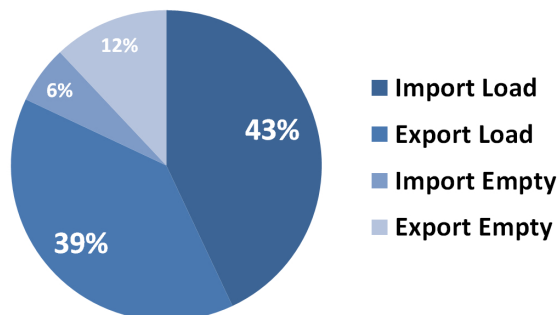
10% TEU Growth Outpaces The Market

The Port of Charleston's pace of growth in 2012 far exceeded overall industry growth of 2% for U.S. container ports. Charleston moved 9.6% more freight in CY2012 than the same period in 2011. The growth was attributed to the four new ocean carrier services gained in 2012, an increase in slots allocated to Charleston on some existing services, and a growing freight base aided by an integrated economic development strategy. A corporate focus on competitiveness has created a more flexible operating environment for clients at the port combined with an aggressive sales and marketing strategy focused on lowering cost, lowering risk, and increasing performance for clients.

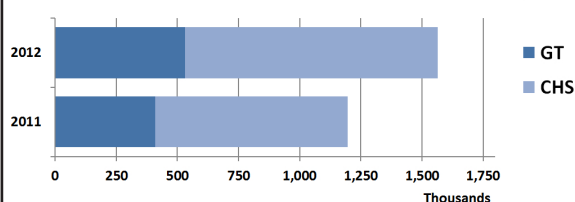
Non-Container Tonnage Up 31%

South Carolina Ports' commitment to non-container freight is paying off with outstanding performance in 2012. Tonnage was up 31% vs. 2011. Since converting Columbus Street Terminal to a full-time break-bulk facility in 2010, non-containerized business has found a home there. Veterans Terminal and the Port of Georgetown also saw significant gains. Key commodities include power-generating equipment, automobiles, steel, machinery, cement, and forest products.

Port of Charleston: CY2012 TEUs



S.C. Ports Non-Container Tonnage



Freezer Investment Booms

In response to increased demand for refrigerated and frozen product handling at the Port of Charleston, two leading firms are making substantial investments in new facilities. **Details:**

- **Millard Refrigeration** recently announced plans to build a new \$42 million, 6.5 million cubic-foot freezer operation at 7748 Palmetto Commerce Parkway in North Charleston. The site is rail-served by Norfolk Southern and in close proximity to the Port of Charleston's marine terminals. Millard is the second-largest refrigerated warehouse and distribution company in the United States. **Millard Refrigeration Sales:** Marc.Malone@MillardRef.com or MillardRef.com
- **New Orleans Cold Storage (NOCS)** has opened a new import meat inspection room at its existing Remount Road freezer facility. The inspection room is fully-operational and features inspection tables specifically designed to fit cartons of import meat and rails for moving product from station to station. A USDA inspector's office is on-site. The facility is particularly vital to the Oceania Service and its high percentage of import beef and lamb. **NOCS Sales:** Jim.Henderson@nocs.com or NOCS.com

Frontier Logistics Opens Transload Center

Houston, Texas-based Frontier Logistics is the latest of four firms to open a bulk/container transload operation at the Port of Charleston. Frontier recently began operating a dedicated rail transload facility at North Charleston Terminal in order to meet demand from their clients for USEC export service. Immediate commodities are grains and resins, but the commodity base is growing. Other firms recently opening transload facilities include CSX Transflo, SC Public Railways, and Scoular.

FrontierLogistics.com

Scoular.com

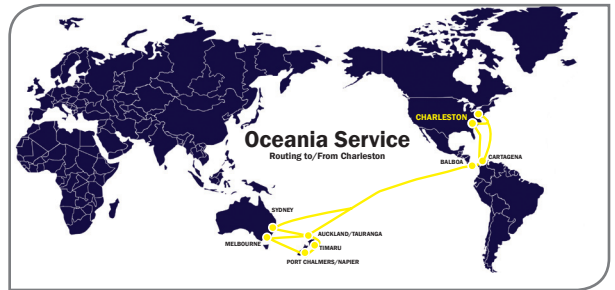
Transflo.net

SContrack.com

Charleston Harbor Deepening Update

The Port of Charleston's harbor deepening project is fully funded and ahead of schedule. **The scoop:**

- The project will deliver all-tide access for vessels drafting 48-feet. This is critical because ships too large to transit today's Panama Canal often draft 48-feet when fully-loaded. Once the Panama Canal expansion is open, ships with that draft will be the norm.
- Charleston is the only port in the region capable of delivering all-tide access for these ships.
- The South Carolina Legislature has set aside 100% of the estimated cost of the project, \$300 million, to cover both the State and Federal share of the deepening, in case the funds are not available for the Federal obligation, thereby removing any funding constraint.
- Studies are being expedited through new Army Corps measures and Charleston's selection to President Obama's "We Can't Wait" initiative.
- Current estimates put the project completion date sometime between mid-2018 and mid-2019.
- To be added to the SCPA's e-mail distribution for harbor deepening news, please contact SCSPAinfo@scspa.com.



Australia Service Hits Its Stride

Last fall Hamburg-Sud and Maersk brought the Oceania Service to the Port of Charleston, re-establishing a traditional connection between Charleston and the Australia-New Zealand market. Importers and exporters are finding Charleston's inland logistics and reefer policies are well-suited to this trade. **Details:**

- Foreign ports include Melbourne, Sydney, Auckland, Balboa, Port Charles, Napier, Tauranga, Cartagena, and Manzanillo
- Key commodities include mining tires, foods, protein products, especially import beef and lamb.
- Reefer business is critical to this trade. Seasons are opposite with North America creating opposite trade flows throughout the year and balancing import/export load operations.
- The opening of NOCS's new USDA-approved import meat inspection station is a vital asset and a sign of long-term growth potential.
- Firms in the Port of Charleston market anxious for new ANZ service options should reach out immediately for assistance:

Hamburg Sud Sales: Tayler.Nodtvedt@hamburgsud.com

Maersk Sales: Mark.H.Rourk@maersk.com

Hapag Lloyd Sales: Fred.Barron@hlag.com

MSC Sales: RTodd@msc.us

SCPA Cargo Sales: APruett@scspa.com

JAS Forwarding Expands

JAS Forwarding USA has expanded at the Port of Charleston by moving into a new partial spec-building at Crosspoint Industrial Park in North Charleston. JAS is a prominent and growing international freight forwarder and logistics provider. The expanded space allows JAS to significantly grow and diversify its client base and service options.

- JAS' initial footprint is 78,000sf.
- Crosspoint is a 305-acre mixed use industrial development site near the Port of Charleston, Charleston International Airport, CSX and NS railheads, and Interstate 26.
- The site now has 288 acres remaining. Class A industrial space at full build-out is approximately 2.2 million sf.
- Crosspoint is a joint development of Childress Klein Properties and Jamestown Properties.

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